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In the United States Patent and Trademark Office

Application Number: 09/629,749

Appn. Filed: 07/31/00

Applicant: Durham Russell Maples, Camden, SC;

Appn. Title: A Method for Enhancing the Equity of a Business Entity

Examiner/GAU: Tongoc Tran

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Technology Center 2100

Amendment B

Commissioner of Patents and Trademarks
Washington, District of Columbia 20231

Sir:

In response to the Office Letter mailed April 24, 2001, please amend the above application as follows:

Remarks

1. The Examiner has misunderstood the Reference:

The Examiner has misunderstood both the Universal Casting Ruling reference and the Applicant. The Universal Casting Ruling reference does not disclose a debt instrument issued to the stock of a corporation. To the contrary, the debt instrument in the reference is issued to the shareholders. Proof of this is stated on page 3 paragraph 7 and on page 5 paragraph 7 "Notes issued by the petitioner to its three stockholders in the principal amount of [*623] \$50,000 (replacing the demand notes in the same principal amount), were dated June 16, 1949, were due August 31, 1951". These were the original notes that were issued to the stockholders which they exchanged for the 5% Income Notes. The 5% Income Notes that replaced the original notes were also issued to the stockholders, otherwise there would have to be a statement of this change in the agreement between the corporation (petitioner) and the stockholders. This change recorded in the agreement would also be a fact stated in the Universal Casting Ruling as a material fact in the case. Material in providing proof that the stockholders had relinquished ownership of the notes in the agreement, and thus the notes could not be classified as equity. The petitioner could not make such a case because the notes were issued to the stockholders and the bilateral agreement only restricted the conditions of